



THE ASSISTANT SECRETARY OF THE NAVY  
(FINANCIAL MANAGEMENT AND COMPTROLLER)  
1000 NAVY PENTAGON  
WASHINGTON, DC 20350-1000

AUG 08 2007

MEMORANDUM FOR DISTRIBUTION

Subj: CIVILIAN PERSONNEL EXECUTION INDICATOR (CEI)

Encl: (1) CEI Summary  
(2) Illustration of CEI Formula  
(3) CEI Template

In support of ongoing efforts to improve program performance, the monthly civilian personnel execution process was the subject of a recent review. Results indicated wide variances between monthly actual execution and planned amounts. To reduce these variances and improve the quality of plans the Civilian Personnel Execution Indicator (CEI) was developed.

The CEI is comprised of three contributing civilian personnel factors: full-time equivalents, strength, and compensation. The CEI score measures how well civilian personnel resources are being managed and can assist in determining where performance can be improved. Additional details on the CEI are contained in enclosures (1) and (2). The CEI template in enclosure (3) is required to be updated on a monthly basis commencing with July 2007 actual execution performance.

Your support for this initiative is appreciated and key to the success of the CEI. My point of contact for the CEI is Mr. Paul Bivins, 703/692-4830 or [paul.bivins@navy.mil](mailto:paul.bivins@navy.mil).

A handwritten signature in black ink, appearing to read "John W. McNair", is located below the text.

John W. McNair  
By Direction

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## **Civilian Personnel Execution Indicator (CEI) Summary**

### **August 2007**

**Purpose:** The Civilian Personnel Execution Indicator (CEI) is a performance measure that is a part of the ASN (FM&C) strategic vision to measure and improve program performance. This initiative is aligned with the objectives of the Department of Navy senior leadership and the President's Management Agenda.

**Scope:** The goal is to measure monthly civilian personnel execution performance for full-time equivalents, strength, and compensation and to implement the index to the appropriate levels of financial organizations.

**Administration:** The CEI was the result of a Lean Six Sigma Green Belt project on the monthly civilian personnel execution process. The project sponsor was the Director, Civilian Resources and Business Affairs Division (FMB4) within the ASN (FM&C) Office of Budget and team members consisted of representatives from PACFLT, AAUSN, and FMB4. The CEI will be maintained by FMB4.

**Communication:** CEI status and guidance will be maintained on the FMB web site. Monthly narrative explanations for variances will be submitted by BSOs using an excel template and a report will be maintained on the FMB website summarizing results and showing all data. CEI guidance can be found at  
[http://www.finance.hq.navy.mil/fmb/gpra/gpra\\_p\\_u.html#cei](http://www.finance.hq.navy.mil/fmb/gpra/gpra_p_u.html#cei)

**Definitions:** The CEI is a composite performance measure at the Budget Submitting Office level. The calculation includes an evenly weighted variance average of three areas: Full-Time Equivalents (FTEs), Strength, and Compensation. Each area counts as one-third.

**Full-Time Equivalent (FTEs)** – FTEs represents the equivalent of one person working full-time for one year. The measurement will be based on the difference between the FYCY column FTE plan from the PB-54 Civilian Personnel Hiring Plan (excludes IHFN) exhibit submitted as part of the FYBY President's Budget, compared to the actuals from the Work Years Personnel Cost (WYPC) system. The WYPC system is the official source for civilian personnel work year and obligation data within the Department of the Navy derived from civilian pay systems. WYPC creates monthly labor cost reports. The calculation for actuals is:

<b>WYPC Monthly Hours Paid / 2080</b> WYPC Hours capture lines 201, 205, 209, 213, 217
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**August 2007**

**Strength** – Represents the actual or estimated number of employees onboard on the last day of the fiscal year. The measurement will be based on the difference between the FYCY column strength plan from the PB-54 Civilian Personnel Hiring Plan exhibit submitted as part of the FYBY President's Budget, compared to actuals from the 1532 report. The 1532 report is an extract from the Defense Civilian Personnel Data System (DCPDS) provided by the Office of Civilian Resources on a monthly basis, providing the total DON civilian onboard strength by type hire and employment category by Major Command and Unit Identification Code (UIC). Type hire refers to the employees' citizenship status and how they are being paid for.

**Compensation** – Represents funding for regular salaries and wages, lump sum leave, overtime, holiday/premium/differential pays, and awards. The measurement will be based on the difference between the plan from the FYCY column of the OP-8 Civilian Personnel Costs exhibit submitted as part of the FYBY President's Budget, compared to the actual monthly amount paid from WYPC (exclusive of WYPC lines 100 series, 500 series, total line 299, and total line 499). The calculation for the compensation plan is:

$$\frac{(\text{FYCY Column of the FYBY PB OP-8 TOA})}{(\text{TotalOP8 FTE})} * \text{FYCY Column of the FYBY PB PB54 FTE}$$

Excludes IHFN, FECA, and OC13 data fields

**Civilian Personnel Indicator** – The measurement will be based on the percentage difference between plan and actual for FTEs, strength, and compensation evenly weighted by one-third as follows:

$$\% \text{ Difference: } \frac{1}{3} \text{ FTE } \% \text{ variance} + \frac{1}{3} \text{ Strength } \% \text{ variance} + \frac{1}{3} \% \text{ Compensation}$$

This percentage difference is compared to a monthly goal of plus or minus two percent. For the past few years FTE, strength, and compensation have executed at three percent of plan, at the aggregate level, by the end of the year.

## Civilian Execution Performance Indicator (CEI)

August 2007

### Illustration of CEI Formula

#### FTE October 2007 Execution

**Plan:** (FY 2007 Column of the FY 2008 President's Budget OP-8 FTE excluding IHFN) / (FY 2007 Column of the FY 2008 President's Budget OP-8 FTE inclusive IHFN) \* October FTE amount from the FY 2008 President's Budget PB54 Exhibit) =  $(16,110 / 18,402) * 1,383 = 1,210.745$

**Actual:** WYPC October 2007 Hours Paid / 2080 = 1,233

**% Difference:**  $(\text{Actual} - \text{Plan}) / \text{Plan} = (1,233 - 1,210.745) / 1,210.745 = 2\%$

#### Strength October 2007 Execution

**Plan:** October Strength amount from the FY 2008 President's Budget PB54 Exhibit = 18,520

**Actual:** 1532 report October 2007 E/S = 18,479

**% Difference:**  $(\text{Actual} - \text{Plan}) / \text{Plan} = (18,479 - 18,520) / 18,520 = -.22\%$

#### Compensation October 2007 Execution

**Plan:** (FY 2007 Column of the FY 2008 President's Budget OP-8 TOA / Total FY 2008 President's Budget OP8 FTE) \* FY 2007 Column of the FY 2008 President's Budget PB 54 exhibit FTE =  $(1,440,228 / 16,110) * 1,210.745 = 108,240$

**Actual:** WYPC October 2007 Amount Paid = 112,859

**% Difference:**  $(\text{Actual} - \text{Plan}) / \text{Plan} = (112,859 - 108,240) / 108,240 = 4\%$

#### Civilian Personnel Execution Indicator (CEI) for October

**Plan:** Goal of +/- 2%

**Actual CEI:**  $(1/3 * \text{FTE \% Difference}) + (1/3 * \text{Strength \% Difference}) + (1/3 * \text{Compensation \% Difference})$   
 $= (1/3 * 2\%) + (1/3 * -.22\%) + (1/3 * 4\%) = 1.9\%$

Explanations are required for any deviations between the CEI and +/- 2% goal

# CEI Score - Plan vs. Actual

BSO:

Month of:

	FY 2007 Full-Time	FY 2007	FY 2007	Monthly
(000)	Equivalents	Strength	Compensation	CEI
Plan	\$ 54,017	\$ 51,462	\$ 2,555	}
Month Actual	\$ 55,447	\$ 54,300	\$ 1,147	
Delta	\$ (1,430)	\$ (2,838)	\$ 1,408	

## Explanations:

### FY 2007 Full-Time Equivalents (+ or -)

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### FY 2007 End Strength (+ or -)

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### FY 2007 Compensation (+or -)

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## Directions

1. Fill in this month's Full-Time Equivalent Plan values, end of month actual values from WYPC or the 1532 report, and the deltas. Deltas should be broken out by activity.
2. Breakout delta details for Full-Time Equivalents, End Strength, and Compensation.
3. Explanations should include the dollar / FTE / ES value, as well as the activity and reason. Rationale should provide the impact of the particular action on Full-Time Equivalents, End Strength, and Compensation; corrective actions; and, the anticipated resolution date.
4. Monthly CEI amounts will be calculated by FMB4.
5. Report is due on the 28th business day of the succeeding month.

Encl (3)